



STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL
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CONSUMER PROTECTION DIVISION
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Press Release

FOR IMMEDIATE RELEASE

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Attorney General McGraw Reaches Settlement with FFD Payday Lenders; Agreement nets \$305,000 in refunds for WV consumers

CHARLESTON – In a continuing effort to protect West Virginia consumers from unlawful Internet payday loans, West Virginia Attorney General Darrell McGraw today announced a settlement with FFD Companies, operators of at least five Internet payday loan web sites, to refund illegal fees and interest to West Virginians and halt marketing within the state.

Under the settlement, the defendants will pay refunds totaling \$305,446.53 to 576 affected West Virginia consumers who obtained payday loans by computer through interactive web sites operated by the FFD Companies. Additionally, the FFD Companies, which denied wrongdoing, agree to a permanent ban on making or collecting payday loans in West Virginia.

"Payday loans are not solutions but treacherous traps that can lead to financial ruin for the many West Virginians facing difficult financial circumstances," Attorney General McGraw stated. "We will not rest until all payday lenders agree, as the FFD Companies have now done, to stop marketing these predatory payday loans over the Internet to West Virginia consumers."

Illegal in West Virginia, payday loans are high-interest loans or cash advances with interest rates that reach as high as 600 to 800% APR. The loans, typically made for 14 days, are secured by a post-dated check or an agreement authorizing electronic debits from the consumer's checking account.

Today's action settles a complaint filed by McGraw against the FFD Companies in a November, 2009 lawsuit that charged the defendants had engaged in the making and collection of Internet payday loans in violation of West Virginia law. Since McGraw began investigating the industry in 2005, his office has reached settlements with 107 Internet payday lenders and their collection agencies, resulting in \$2,452,978.87 in refunds and cancelled debts for 8044 West Virginians.

As negotiated by the Attorney General's Consumer Division, the settlement involves eight corporations under the FFD umbrella and their principals, with offices in Delaware, Georgia, New Mexico, Nevada, Texas, and Utah. The FFD Companies and websites that entered into the agreement include: FFD Ventures, LP of Carson City, NV, and Atlanta, GA; DFD Ventures, LP of Carson City; First Fidelity, Inc. of Carson City, Wilmington, DE, and Atlanta; FFD Resources I d/b/a Cash Supply of Espanola, NM, and Atlanta; FFD Resources II, LLC d/b/a Web Payday of Atlanta; FFD Resources III, LLC d/b/a Payday Services of Salt Lake City, UT, and Atlanta; FFD Resources IV, LLC d/b/a Payday Yes of Wilmington; FFD Resources IV, LLC d/b/a Paper Check Payday of Wilmington; and Great American Credit Management of Atlanta and Houston, TX.

Consumers can file a complaint or alert the Attorney General's Office to unfair or deceptive practices by calling call the Consumer Protection Hot Line, 1-800-368-8808, or obtain a complaint form from the consumer web page at wvago.gov.

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